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> South Africa is stuck in a low growth trap.

– Minister Nhlanhla Nene - 25 July 2015

> The time has come to stop hoping things will get better and adopt a revolutionary new strategy: actually making them better.

– Tim Cohen, Financial Mail - 10 September 2015

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1. Executive summary

President Zuma, recently declared that while South Africa's economy, like many others around the world, was struggling to recover from the 2008 global financial crisis, it was wrong to assume that everything was "doom and gloom."

Some commentators have been quick to take issue with the President citing government failings, rampant corruption and policy blunders that have undermined South Africa's growth imperative. As this report goes to press, the spectre of a recession in South Africa is sinking in and the denial by our political leaders is in retreat.

That said, IQ Business was intrigued to get beyond the political posturing and debate to properly understand what South African businesses and business leaders felt about generating economic growth. And, importantly, what the respective responsibilities of business and the government would be to achieve that growth.

While 40% of respondents maintained that businesses themselves could only contribute towards generating growth if certain things like specific legislation change first – a notable 42% were adamant that businesses can play a much greater role in driving economic growth - irrespective of the prevailing economic and political conditions.

These sentiments, however, did not blind them to the very real problems and challenges we face: skills shortages and labour law constraints were cited most often as factors that limit growth.

The research study comprised qualitative research amongst CEO's and Managing Directors of large business as well as a survey with small and medium sized enterprises (SMEs).

Five specific actions emerged from the research for both government and business to deliver on in order to achieve economic growth:

1. **Implementation of the National Development Plan -**

   Government must be held accountable for implementing their own plan and be publically challenged, by business leaders, when it veers off course.

   Business must accept that the Plan requires action and commitment from business and these must be measured, managed and accounted for.

2. **Accelerate Enterprise Development –**

   Government must set up teams and processes to identify and systematically remove red tape that impedes growth.

   Business must invest in SMEs, procure from them and mentor them.

3. **Customer-centred Innovation –**

   Government must incentivise innovators with tax breaks whilst also providing support and protection for new intellectual property.

   Business needs a new mind-set towards innovation – they must be much more agile, iterative and open towards adopting new techniques.

4. **Commercialise State Owned Enterprises –**

   Government must acknowledge that Business is better at the commercial aspects of any undertaking and that these skills and services can be leveraged to deliver Government's services better and more cost effectively.

   Business, in turn, must be available to work as a strategic partner with Government – and to actively transfer knowledge and skills.

5. **Declare a State of Emergency in Education**

   Government needs to do whatever it takes to improve education: holding Principals to account for school's performance, ensuring teachers are actually teaching and that literacy and numeracy is prioritised. Government must also actively attract non-South African skilled talent into the country.

   Business must realise that it isn't enough to bemoan the poor state of young people emerging from our education system. They must go upstream and contribute towards ensuring better outcomes such as supporting school-to-work transition and a commitment to high-quality work-based learning.

These five actions require a new partnership between business and government with a shared imperative to drive growth. Each of the actions is explored further in this report.

2. Setting the context

South Africa's economic growth has been sluggish over the past five years following the global financial crisis of 2008-2009. Although the country is richly endowed with natural resources such as platinum and gold; factors such as labour unrest, wildcat strikes in the mining, energy, transport and farming sectors, labour market rigidities and skills shortages amongst others, have been identified as factors that impede the country's economic growth (The Heritage Foundation, 2015). The slow growth has also weakened the relationship between South Africa and its main trading partners, specifically the European Union and China (AfDB, OECD, UNDP, 2014).

In addition to slow economic growth, South Africa-destined foreign direct investment (FDI) has declined steadily between 2011 and 2014. FDI project numbers fell 3.59% between 2011 and 2012, 5.59% between 2012 and 2013, and 20.4% between 2013 and 2014. A similar decline was recorded in capital expenditure in South Africa, with $10.85bn in 2011 falling to $3.83bn in 2014 (Porter, 2015).

The EY attractiveness survey of 2014 confirms the shift in FDI from South Africa into other African countries. According to the survey Kenya, Ghana, Mozambique, Zambia and Uganda were the only African countries that saw an increase in FDI projects from 2012 to 2013 (out of the top 10 FDI in investment destination countries). Ghana had a 49% increase in projects from 2012 to 2013 (EY, 2014).

Rwanda offers an interesting comparative case when one considers that they emerged from a dark point in their history, the Rwandan genocide, in 1994. South Africa and Rwanda therefore have had the same number of years since a "new beginning". Yet for years, Rwanda's impressive GDP growth – often approximately 8% – has made economists sit up and take notice, while South Africa has performed ever more poorly.

In an effort to improve the country's economic growth, government outlined doubling the GDP, eradicating poverty and reducing inequality by 2030 as its main strategic goals in the National Development Plan (NDP) 2030 vision (Brand South Africa, 2014). Government has adopted the "Big Fast Results" methodology, a methodology successfully applied by Malaysia to fast-track the delivery of priorities defined in the country's National Development Plan (Brand South Africa, 2014). It is envisaged that the "Big Fast Results" methodology, referred to as Operation Phakisa in South Africa, will involve bringing key stakeholders together in workshops for thorough planning at a practical and detailed level; setting targets which are made public; rigorously monitoring progress with implementation; and sharing the results with the public (Brand South Africa, 2014).

South Africa's GDP annual growth rate continued to drop after the 2008-2009 global financial crisis. As predicted by the World Bank in 2013, Real GDP growth continued to flatten and it slowed from 1.9% in 2013 to 1.5% in 2014 (World Bank, 2014). The drop in Real GDP growth is attributed to protracted labour unrest and electricity supply constraints. The slowdown has intensified high unemployment and external vulnerabilities, pushing up unemployment to 26.4% in quarter 2 of 2015 (which only takes into account the number of people actively looking for a job). Figure 1 shows that South Africa's GDP growth rate declined by 1 percentage point and remained constant at 2.2% in 2013, followed by a further decline of 0.7 percentage points. (The World Bank, 2015).

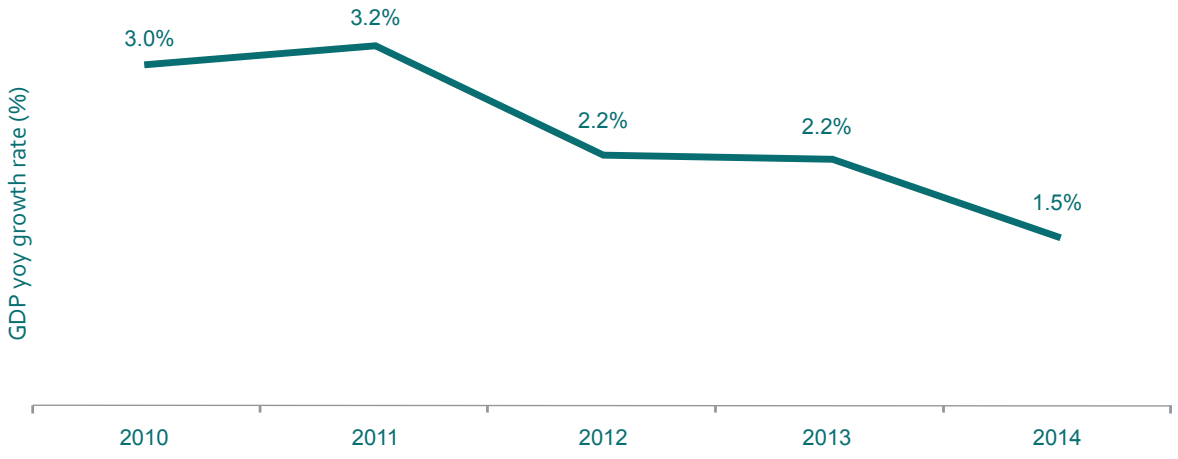

Figure 1: South Africa's GDP growth rate over the last 5 years

Figure 2 shows the quarter-to-quarter comparison of the South African economy for the first two quarters of 2015 (Statistics South Africa, 2015). South Africa's economy contracted by 1.3% (seasonally adjusted and annualised) in the second quarter of 2015, according to preliminary estimates of real gross domestic product (GDP) released by Stats SA.

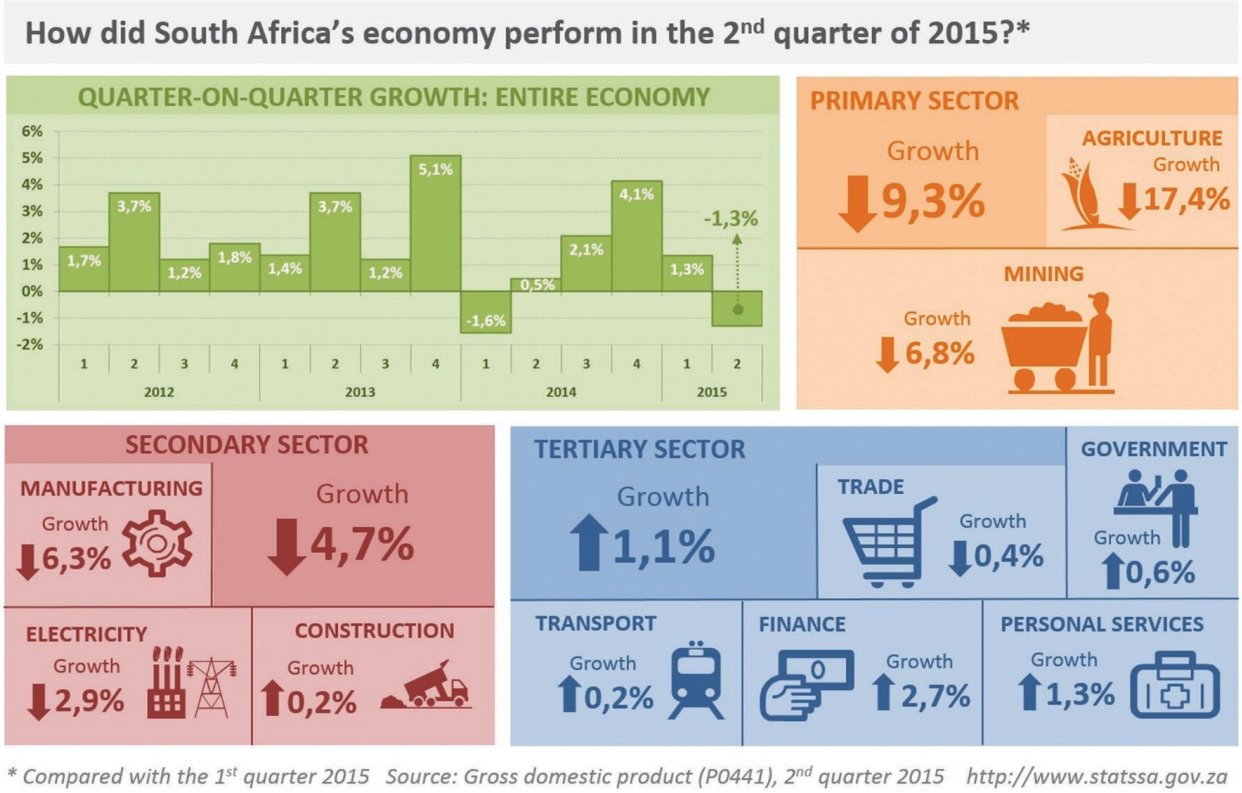

Figure 2: Industry growth rates for the 1st quarter of 2015

The sectors wherein labour unrest impacted the most were the manufacturing, mining and agricultural sectors. In the agricultural sector, wildcat strikes early in 2013 caused growth to collapse from 4% in 2012 to just 1.4% in 2013. While the agricultural sector expanded again by 5.6% in 2014, it has shown the largest fall in activity in 2015, contracting by 17.4% quarter-on-quarter with warnings that South Africa is currently experiencing its worst drought since 1992 (Statistics South Africa, 2015).

The mining industry contracted by 6.8% quarter-on-quarter, mainly as a result of lower production in the mining of coal and iron ore. In 2014 a 5-month strike in the platinum sector had dragged mining down for two consecutive quarters.

Manufacturing activity declined by 6.3% quarter-on-quarter mainly as a result of decreases in two manufacturing divisions, namely basic iron and steel, non-ferrous metal products, metal products and machinery; and petroleum, chemical products, rubber and plastic products. An example of how labour unrest has impacted the manufacturing sector comes from the automobile sector strikes of August and September 2013, which resulted in a 75% quarterly fall in vehicle production and a 6.6% quarterly fall in total manufacturing output.

In his State of the Economy address at the Union Buildings in Pretoria on 12 August 2015, the President announced changes in the economic growth set to be achieved by 2019. He proposed a downward revision from 5% to 3%. The planned strategy is to grow the economy through inward growth opportunities such as the revitalisation of the agricultural sector and mineral beneficiation; the creation of black industrialists; increased focus on small business potential; the ocean economy and resolving problems in the energy sector. Critics have argued that the proposed strategy is not something new and that it is unlikely to succeed. It has also been argued that government places too much power in the hands of an increasingly parasitic and incompetent state. Government has also been accused of holding the private sector back from growing the economy and creating jobs. Critics propose that government should rather focus on boosting the small business sector by removing red tape and barriers to market entry (MSM news, 2015).

3. Research findings

3.1. Business growth within the current economic climate

In the growth rates of business surveyed, Figure 3 demonstrates that 55% of SMEs generated growth above inflation, leaving a rather large percentage (45%) of SMEs who, by failing to grow above inflation, are effectively shrinking. 30% of these SME's experienced flat or negative growth.

Some businesses are however still finding the opportunities to outperform; there are approximately 20% of SMEs who generated business growth in excess of 20% (referred to as the Top 20% over 20%).

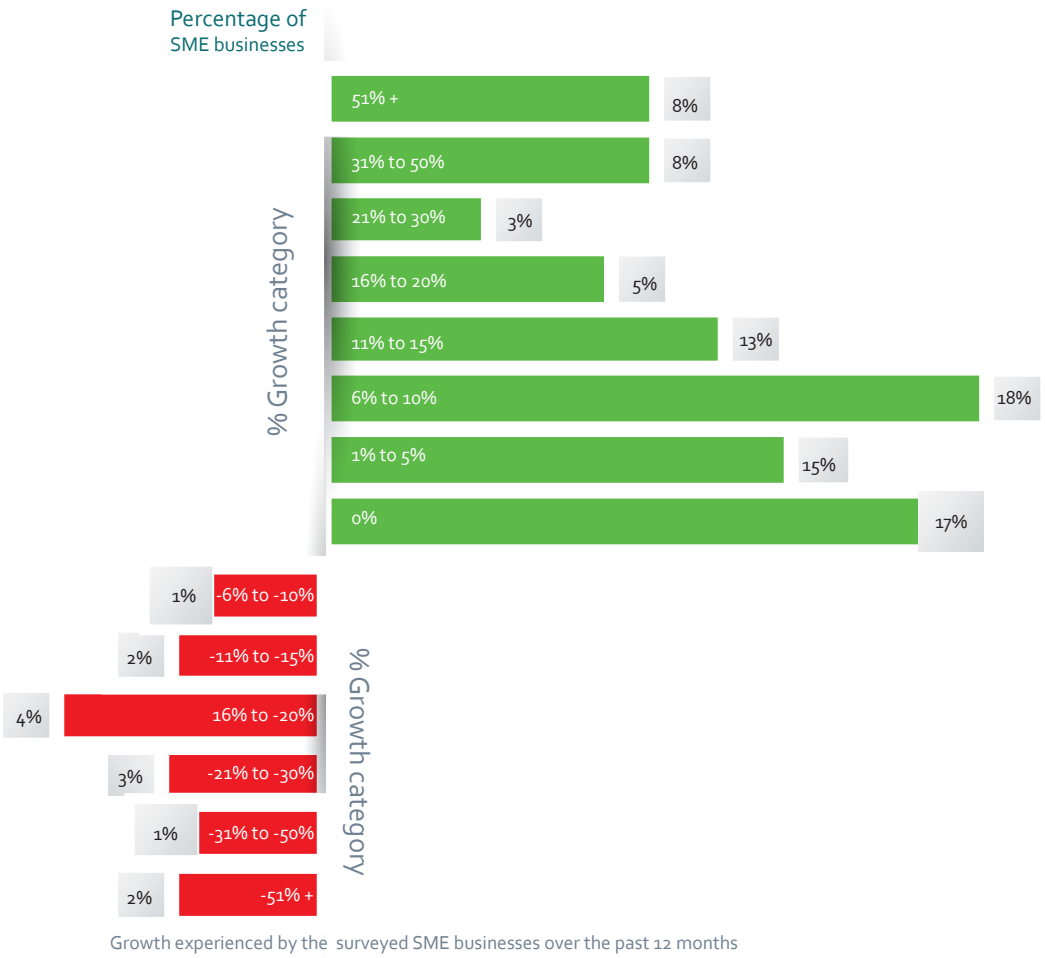

Figure 3: Growth experienced by the surveyed SME businesses over the past 12 months

Micro businesses are the most positive about achieving better growth in the coming year (42% expect more growth). Small businesses were more likely to estimate that their growth would remain constant, while medium sized businesses are more reserved, and actually consider that they might see less growth in the coming year (41% would see less growth). This clear trend in growth expectation for the coming year can be extrapolated to large business, and interviews with CEOs and Managing Directors of some of the largest businesses in South Africa confirms the uncertainty of continued positive growth over the next 12 months due to the country's current economic status.

The size of a business is related to the number of employees as well as turnover and therefore medium and large businesses especially would be affected by the claimed limitations imposed on growth of legislation such as BEE and other labour laws, as well as the negative effects of trade unions and a fall in consumer spending.

A 2013 article published in the Business Day points out that micro-enterprises - companies with a turnover of R10m or less - will be exempt and immediately qualify for level 4 on the new BEE codes. Companies wishing to do business with the government, whose clients do business with the government or are under government regulation, aspire to at least a level 4 on the eight-rung scorecard. While small companies with a turnover of between R10m and R50m will have a harder time of it, unless they are 100% black-owned.

Business is also challenged by other labour laws such as the Labour Relations Act (LRA) and the Basic Conditions of Employment Act (BCEA). The LRA aims at the promotion of economic development, social justice, labour peace and democracy in the workplace, which is achieved by regulating the organisational rights of trade unions, as well as promoting and facilitating collective bargaining at the workplace and at a sectoral level (Haroon Bhorat etal, 2014). The BCEA on the other hand provides for minimum working conditions regarding matters such as work hours, over-time payment, annual leave and sick leave (Haroon Bhorat etal, 2014).

The SMEs surveyed in our study feel that trade union power should be minimised as it has a negative impact on business. Strikes are known to lead to reduced productivity and therefore decreased profitability.

Business is also challenged by issues pertaining to the lack of a clear probation period for new employees and limited rights of recourse to dismiss employees who do not meet expectations during the probationary period; as well as onerous dismissal protection for executives and high earning employees (Soko and Balchin, 2014).

Soko and Balchin, (2014) also note the crisis in collective bargaining as another challenge affecting business. They argue that the dominance of centralised bargaining in South Africa favours large employers, institutionalises the power of trade unions and results in greater incidence of fixed wages across sectors. They also argue that the key problem with centralised bargaining is that it does not effectively recognise differences across enterprises. According to Soko and Balchin, (2014) centralised bargaining also restrains wage levels in certain sectors – with financially stronger employers only required to pay the modest wage increases that can be afforded by smaller or weaker enterprises, while the weakest enterprises face the prospect of being squeezed out because they cannot afford the increases in wages that the majority of enterprises in the sector are prepared to pay.

The two laws have also had a major impact on South African business. According to an article recently published in The New Age, South African labour laws are the most restrictive compared to other countries. Loane Sharp, a labour economist at Adcorp, also notes that over the past three years the sovereign rating agencies that evaluate South Africa's creditworthiness, particularly Standard & Poor's and Moody's and Fitch, have pointed to labour laws as one of the biggest barriers for investing in South Africa because of their effect on unemployment (Loane Sharp, 2015). Loane Sharp, (2015) further states that according to the report, South Africa scores the lowest among 144 countries in the world in terms of labour/employer conflict (absolute worst), hiring and firing practices (2nd worst), wage inflexibility (5th worst) and productivity (11th worst).

The most recent labour law changes that affect businesses include the changes to Section 198 of the Labour Relations Act, which stipulates that from 1 April 2015 employers are required by law to appoint temporary workers as permanent employees, following a three month continuous working period. Businesses that have been operating for less than two years with under 50 employees and employers with fewer than 10 employees, regardless of how long they have been operating, are exempt from these new provisions (Bugan, 2014).

Shaun Liebenberg, CEO of IQ Capital, feels that business must be willing to take a risk in playing a role in driving economic growth, regardless of labour law and other challenges they face.

3.2. Strategies for driving business growth

Businesses are faced with a number of challenges from the macroeconomic environment in which they operate. Most of these challenges or barriers to growth, fall outside the direct control of the individual business. The SME cannot directly influence what they perceive to be restrictive government legislation, the stability of the Rand or foreign direct investment. Yet business can and do adopt strategies to deal with business barriers.

While some challenges are easier to address than others, our research has shown that many businesses are positively responding to these challenges. One of the main barriers cited by respondents include reduced customer spending. Improving business models and cost structures, aggressive marketing or new market positioning are examples of strategies which businesses are adopting to become “lean” and to make the most of available consumer spend.

Load shedding affects both SMEs and large business, yet investment in generators and alternative power can serve to mitigate the risk to growth. Robbie Brozin, the Founder and CEO of Nando’s, confirms the negative effect of load shedding on their restaurants and the positive step taken of investing in generators. While this has been an expensive investment, it has been worth their while. Although difficult to isolate, some of Nando’s exceptional growth could be attributed to their ability to continue operating during load shedding, when other restaurants are in the dark.

SMEs rated a lack of skilled employees as a medium sized barrier, and one which appears to be more within the control of business to address themselves. Businesses are stepping in to train employees and even their families to create in-house skills. Micro and Small business have less of a requirement for formal qualifications and are well suited to delivering skills-based training themselves. Larger business is also stepping up to the challenge of skills improvement. Nando’s, as a case in point, is putting “a huge amount of time and effort in youth unemployment”. Brozin confirms that it is Nando’s strategic intent to invest in a youth development and incubation programme over the next couple of years. This is being achieved through a combination of in-house initiatives and partnerships with organisations like Harambee, a not-for-profit enterprise, with their joint focus on youth unemployment. Harambee sources, trains and places unemployed young people from disadvantaged backgrounds into first-time jobs.

Figure 4: Steps towards dealing with barriers to growth

Figure 5 shows that some businesses might not be taking positive steps that could result in growth, yet are still adopting strategies to mitigate their risks or losses. Some are, for example, keeping operations small for the time being. It also proves that there is a percentage of businesses who do not have the vision or ability to adopt strategies to overcome the challenges.

While there is a tendency to hope for growth, there is also a need for business mentors and coaches who focus on lifting the moral of business owners and working with them on pro-active strategies to overcome or mitigate the barriers to individual business growth. A combination of positive sentiment, taking action and ensuring results were referenced by growth companies from their input to this research report.

Many of the strategies highlighted in the survey as well as those discussed above, do focus on what is more within the direct control of business to change. Tony Leon, Executive Chairman of Resolve Communications feels that business should indeed be more aggressive in trying to affect changes in government legislation. He believes that business should engage government sooner around legislation that might affect them, and play an active role rather than a passive one. He believes that government does not hold all the aces and business has a huge impact on the decisions being made.

3.3. Business believes our growth rates does not reflect our ability

Despite the challenges to individual business growth highlighted in the previous section, the study found that business remains reflective about the country's growth potential. Although the ideal growth rate of 7 - 8% is considered to be unrealistic by leaders of large business, and even 5% unlikely given the current situation, there is a prevailing feeling that the 2% achieved in 2014 is declining below 1.5%.

Businesses are willing and open to playing a greater role in the future growth of the economy. A large percentage, 42% of businesses surveyed, believe that they can drive higher economic growth even within the current macro-economic environment. A further 49% are also willing to play a role, but would require the assistance and partnership of government to enable them to play the needed role.

Do you feel that there is a greater role business can play in driving economic growth?

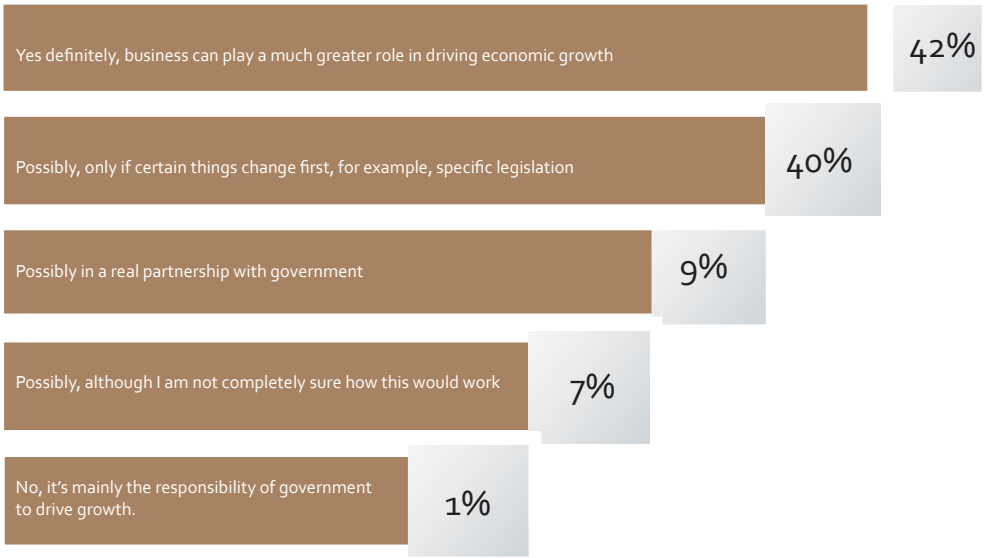

Figure 5: Can South Africa's businesses play a greater role in driving economic growth?

Micro and small businesses tend to be more unreservedly positive about the role of business in driving economic growth, while medium sized businesses tend to want to see certain changes before they feel that they could play the needed part in driving economic growth.

3.4. Five strategies proposed towards driving economic growth

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Top business suggested the following strategies as a means to contribute towards economic growth:

1. **Implement the National Development Plan**, – South Africa's business, trade union and government growth imperative. The sentiment was expressed as "Just Do It" – stop talking about it.
2. **Accelerate Enterprise Development** - Big business working to support entrepreneurs and at the same time, government removing red tape.
3. **Customer-centred Innovation** – Encourage South Africa's creative talent both at home and abroad to innovate for growth, using customer-centric thinking to drive growth in business.
4. **Commercialise State Owned Enterprises** - Engage strategic equity partners in state owned enterprises and consider an initial public offering (IPO) where this makes sense.
5. **Declare a State of Emergency in Education** – we need to prioritise our future, recognising that education is a fundamental driver of economic development.

These five proposed solutions are explained in more detail in the following section.

3.4.1. Implement the National Development Plan, "Just Do It" – South Africa's business, trade union and government growth imperative

79% of the surveyed SMEs are of the view that a coalition between government, business and trade unions could be the key to economic growth, although just less than half see this as a workable solution in the near or long term. There is an even split among the micro, small and medium businesses.

Would South Africa benefit from a coalition between government, business and trade unions?

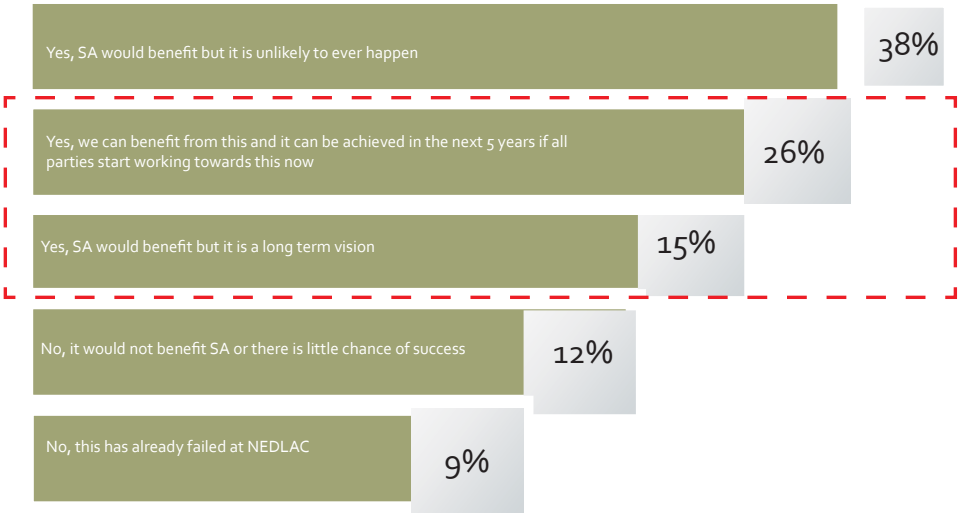

Figure 6: Would South Africa benefit from a coalition between government, business and trade unions?

A further analysis also shows that the majority of businesses that believe South Africa would benefit from a coalition between government, business and trade unions over the next 5 years, are small and medium businesses, while those who say the country would benefit in the long-term are mostly micro and small businesses. Those who say South Africa would not benefit and that there is little chance are mainly medium-sized businesses. Figure 8 shows that there is an even split in terms of businesses that perceive a coalition between government, business and trade unions is key to economic growth.

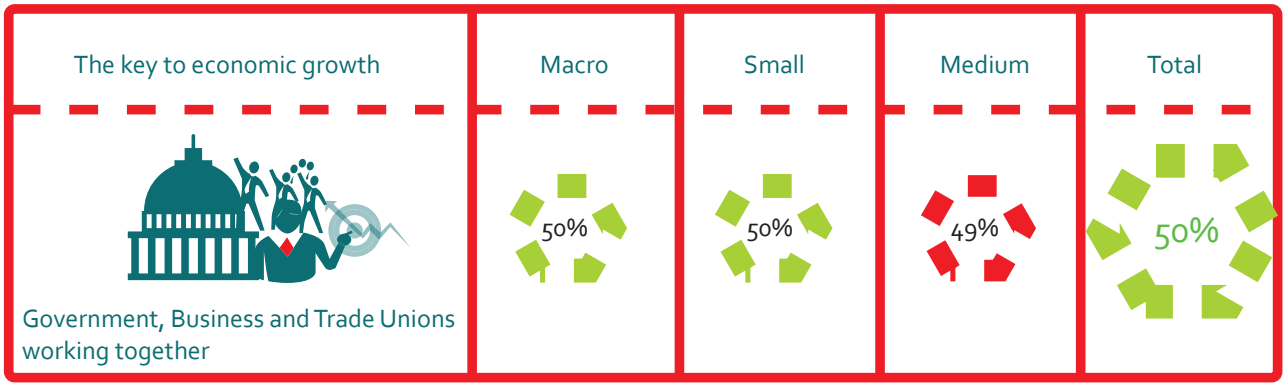

Figure 7: Government, business and trade unions working together as the key to economic growth

According to Mind of a Fox Director Clem Sunter, South Africa is slowly heading downhill and urgently needs an economic coalition to address the weakness in its economy (Afriforesight Conference, August 2015). He cited corruption, infrastructure mismanagement, an unreliable power supply, poor quality education and the lack of an inclusive leadership as the predominant red flags putting off foreign investment in the country. With unemployment likely to increase, he expressed the belief that South Africa was more of a divided nation now than it was in 1994, and that only through the creation of an entrepreneurial spirit would matters improve.

"Our primary aim must be to remove all barriers, which is why we need a focused economic coalition around how we do this and how we put in support systems so that budding entrepreneurs in the township can have the finances and the mentorship to get into the mainstream economy. Just as we have done with Zimele [Anglo American's Enterprise Development Initiative] and have a positive relationship with big business - that is what I would like the subject of the coalition to be."
– Clem Sunter

While it could be argued that such an organisation is already in place through the National Economic Development and Labour Council (NEDLAC), there is a feeling among business that NEDLAC is failing to tackle relevant issues that could enable business to play a greater role in driving economic growth.

"We are a bit stuck with some of the institutions like NEDLAC in South Africa, which was set up as a tripartite alliance where government, business and labour are recognised as the key players in the economy, its growth and welfare, but also where they are seen themselves as responsible people. I think NEDLAC has run out of steam. I attended a NEDLAC meeting recently and I was saddened by the low level of business representation. There was a time when the people who sat with NEDLAC were your ministers and CEOs of companies. Now it is people five levels down the value chain and I think maybe we need another structure."
– Cheryl Carolus

Dawie Roodt, Chief Economist at the Efficient Group attributes NEDLAC's fall from grace to parliament's failure to implement agreements reached in discussions held between government, business and labour at NEDLAC. It is further indicated that NEDLAC agreements are regarded as informal agreements and that parliament has failed to recognise these informal agreements and thus none of the decisions agreed upon are actioned (Business Day Live, 2013).

"The government say they will do something in NEDLAC, but (then they) do something else in parliament. The result is that business, labour and the community do not get the opportunity to give their inputs."
– Dawie Roodt

Labour broker Adcorp, also agrees that NEDLAC failed because of parliament's failure to implement solutions proposed through NEDLAC (Business Day Live, 2013).

Respondents did however feel that the National Development Plan's (NDP's) ethos and ideas were sound and could lead to growth in the economy. The view of the respondents is that government and business should stop talking about the NDP and get on with working together to implement it ie a "Just Do It" attitude.

The National Development Plan is a plan for the country to eliminate poverty and reduce inequality by 2030 through uniting South Africans. *"Unleashing the energies of its citizens, growing an inclusive economy, building capabilities, enhancing the capability of the state and leaders working together to solve complex problems."*

President Jacob Zuma appointed the National Planning Commission (NPC) in May 2010 to draft a vision and national development plan for consideration by Cabinet and the country. The NPC is an advisory body consisting of 26 people drawn largely from outside government.

After releasing a draft plan in November 2011, the NPC held extensive consultations with South Africans, including government, unions, academics, industry bodies, non-profit organisations, religious associations and the general public. The response was overwhelmingly positive and the inputs have helped to strengthen the proposals made in the plan.

High-level objectives to be achieved by 2030 are the following:

- Reduce the number of people who live in households with a monthly income below R419 per person (in 2009 prices) from 39 percent to zero.
- Reduce inequality, as measured by the Gini coefficient, from 0.69 to 0.6.
- To make meaningful progress in eliminating poverty and reducing inequality, South Africa needs to write a new story.

Respondents feel that action is now required to implement the NDP, with business, labour and government working together to implement these actions.

Wendy Lucas-Bull, Chairman of Barclays Africa Group Limited observes that as South Africans, we are good at coming up with plans but we have not been as good at implementing them. Wendy Lucas-Bull is of the view that South Africa should focus on the NDP as a vehicle through which government, business and labour can work collaboratively. According to Wendy the benefit in the NDP does not focus solely on the government, she elucidates that it also includes all aspects of society. Wendy also views the NDP as the vehicle for a coalition given that it was produced collaboratively with input from all stakeholder groups.

"So my view is, what we can do together as business, labour and government is actually focus on how we can speed up the implementation of the NDP" – Wendy Lucas-Bull.

"The NDP is the road we should take, let's get on with it in a collaborative way and not in silos because we have not worked as effectively as we could, we have silos in business, we have silos in unions and we have silos in government" – Wendy Lucas-Bull.

Dr Martyn Davies is also of the view that the country does not need new policies where economic growth is concerned, he also shares the view that the country should use the NDP as a policy agreed upon by the various stakeholders.

"…we are very active, we are very vocal, I just hope that the right people are listening." – Dr Martyn Davis

3.4.2. Accelerate Enterprise Development

A literature review conducted for the National Credit Regulator (NCR) in 2011 indicates that 91% of the entities in South Africa are Small, Medium and Micro-sized Enterprises (SMMEs) (Underhill Corporate Solutions (UCS) , 2011). According to the Department of Trade and Industry (DTI), government has prioritised entrepreneurship and the advancement of Small, Medium and Micro-sized Enterprises (SMMEs) as the catalyst to achieving economic growth and development (IDC, 2014). The Head of Small Enterprises at Standard Bank, also declared that South Africa's GDP is currently produced by small business, and an estimated 70% of private employment is generated through firms with fewer than 50 employees (Standard Bank, 2015).

The National Development Plan (NDP) envisages that by 2030, 90% of new employment will be generated by Small, Medium, and Micro Enterprises (SMMEs). It is in this regard that the government has provided SMEs with various mechanisms aimed at promoting the growth of these businesses.

Micro and small businesses reiterate the point that business is ready to play a greater role in driving economic growth while medium businesses still seem more reserved in this regard. As shown in Figure 9, 79% of SMEs perceive the entrepreneurial small business sector and innovation in South African businesses as the key to economic growth, with the majority being macro and small businesses.

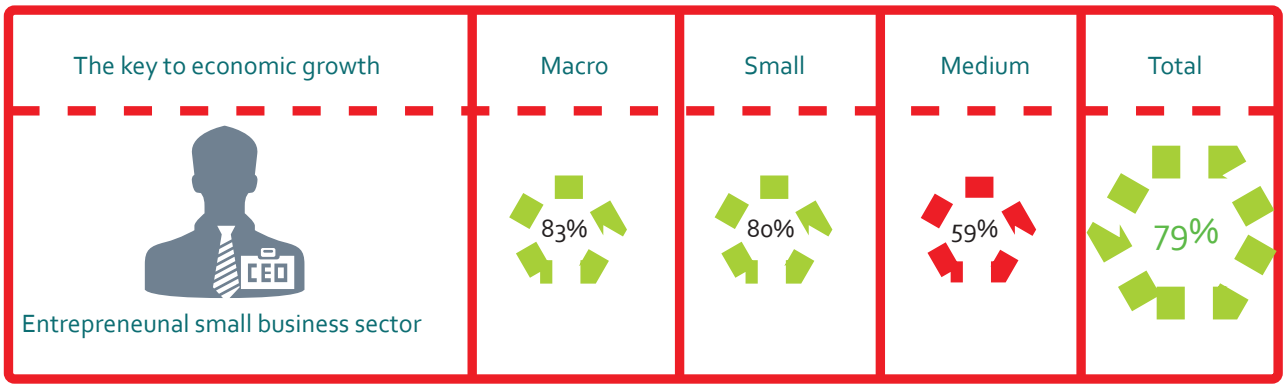

Figure 8: The entrepreneurial small business sector as the key to economic growth

"The world of work has changed, we have moved away from the last century which was all about mass employment to now where most of the jobs being created are in small business…… instead of having an objective of creating five million jobs by 2020, I think the objective should be to create one million businesses." – Clem Sunter

"I think the key is to realise that every person, whether they have a high education or low education, and provided that they are in a reasonably decent kind of environment, is a potential entrepreneur. Human beings have within them the potential to be growth creators." – Tony Leon

"If I was president for the day, I guess I would talk to labour. I would say - let us create an environment that has a balance of job creation because we have to create jobs, this country has to create jobs. I would also follow through in a strong entrepreneurial line because to me we are a nation of entrepreneurs. I would really like to have an entrepreneurial forum that encourages entrepreneurs, and get banks to help fund entrepreneurs properly." – Robbie Brozin

Our findings from the in-depth interviews also point to entrepreneurship as South Africa's key to unlocking economic growth. The shared view is that supporting entrepreneurship could yield great results in the generation of economic growth as more jobs will be created for the majority of the country's unemployed population.

In 2014, the Minister of Small Business Development (SMD) announced that small businesses contribute more than 45% of the country's gross domestic product (GDP) and created more than 50% of all employment opportunities in South Africa (IDC, 2014).

This means entrepreneurship and SMEs could contribute far more than they have with support from government and other stakeholders. The findings from our study point to large businesses as one of the stakeholders that can play a major role in supporting small business.

While SMEs expressed their doubts about ways in which business can play a greater role in driving economic growth, large businesses suggested that South Africa as a country needs to move away from relying on and perceiving government as the sole party responsible for the country's economic growth.

"I think there is an over-emphasis on government as the sole player. It is a problem because both government and other stakeholders think that government is the only player in town, and they are not. Jobs don't get created by government; government creates enabling environments in which it is easier to create jobs. But it is the people who create jobs." – Cheryl Carolus

"We as private businesses cannot always blame government because if you take South Africa in the global context, you will see that there is no perfect government. Everyone is complaining about their government, even the Americans are complaining about America and the UK is also complaining. And so you cannot sit back and say here is a problem, let us wait for government to fix it."
– Robbie Brozin

Clem Sunter proposes that what South Africa needs is dual-logic economy, whereby there is a symbiotic relationship between big and small business. The notion behind this is that large businesses can utilise some of the elements in their supply chain to nurture small business. The common vision amongst the large business owners who share the view that businesses can also play a greater role in driving economic growth is that large business can achieve this through subcontracting their non-core business activities to small businesses that will then be able to create jobs because of business obtained from large corporations.

"My company Anglo-American has a project called Zimele where we have looked at the non-core activities of our mines and then sub-contracted those activities to small businesses. We have injected capital into those businesses, we have provided mentorship and I think we have about 1200 businesses supplying our mines and they employ around 25 000 people. I would like every single big company in South Africa to do the same thing, I call it a dual economy, and it is where you have a symbiotic relationship between big business and small business." – Clem Sunter

While this is the shared vision amongst large business representatives, with some having engaged in initiatives that involve partnering with small businesses; Robbie Brozin notes that the partnership between large and small businesses does not always have to be based on large-scale initiatives. Quoting the initiative Nando's has been involved in recently, he states that a simple idea such as subcontracting small pieces of restaurant renovation work to South African artists and architects contributes immensely to the economy.

"Our business has taken a lot of initiative to drive economic growth, such as our Tables and Chairs project. It's probably going to generate more income and our initiative is going to resuscitate the furniture industry in South Africa. We are using local South African artists and architects and creating jobs for these people."
– Robbie Brozin

Big business needs to continue working to support entrepreneurs whilst government removes the red tape to enable this to happen.

3.4.3. Customer-centred innovation

A survey of South African SMEs conducted in 2012, showed that 61% classified their organisations as innovative, yet only 18.8% indicated that they have a separate budget for innovation and only 27.1% indicated that they followed a formal innovation process. Another survey indicated that only 27% of companies feel they have mastered the elements they will need for innovation success over the next 10 years. Companies therefore know that they need to innovate, but there seems to be a lack of understanding of what is required to innovate successfully and consistently.

The 2014 Global Innovation Index Report lists South Africa at number 53 overall, behind countries such as Greece (50), Chile (46) and Mauritius (40). The Bloomberg Innovation Index – a comparative innovation index – lists South Africa at position 49, just sneaking into the top 50 but placing 2 spots behind Brazil. This is a relatively low position and shows that more needs to be done to encourage and promote innovation. There is a clear correlation between innovation and growth, so for our economy to grow and thrive, companies need to innovate and grow their relevance in the global market. This however requires a micro environment conducive to innovation, and government therefore has a role to play in instituting enabling policies to create this environment, with companies making a decisive decision to invest in innovation.

Innovation generally provides growth on three different levels for an organisation. Firstly, it can be incremental, applied to the organisation's current products, services or business model. This helps to keep existing customers happy and draw new customers in from competitors if those features are not available from them. Secondly, innovation can be in the development of new products for your current market or selling your products to new markets and expanding your reach. Lastly an organisation can introduce a new innovation that is "new to the world", completely disrupting the market. Each level of innovation would generally provide greater profit and growth opportunities, but also introduces more risk and cost.

The benefits of innovation for growth are evident. Recently in the South African market, FNB and Discovery are ideal case studies on how focusing on an innovative culture can help grow your customer base. Other innovation success stories include Mark Shuttleworth, who sold his digital certificate company Thawte to VeriSign in 1999 for $570 million, and Fundamo, a mobile financial services platform which was acquired by Visa in 2011 for $110 million. Siyabulela (Siya) Xuza is an energy-engineering student at Harvard University, conducting research on making cheaper solar cells and assessing the commercial viability of solar technologies. In 2011 he became a fellow of the Kairos Society, a global network of top student and global leaders using entrepreneurship and innovation to solve the world's greatest challenges. He was invited to the United Nations and the New York Stock Exchange in recognition for being one of the world's emerging business leaders and to offer strategies for solving the world's energy crisis. Siya recently became the youngest member of the African Union affiliated Africa 2.0 energy advisory panel. Other South African innovators worthy of noting are Martin Moshal, David Frankel, Bheki Kunene, Doug Hoernle and Julie Fourie. Furthermore, South Africa boasts leading innovations in underground mining technology, defence vehicles and financial services products and platforms. What is required though is to have more innovation successes that can be scaled and exported to the rest of the world.

As shown in Figure 10, 53% of the surveyed SMEs indicated innovation in South African businesses as a possible key to unlocking economic growth, with the majority of these businesses being macro businesses (67%), followed by small businesses (52%).

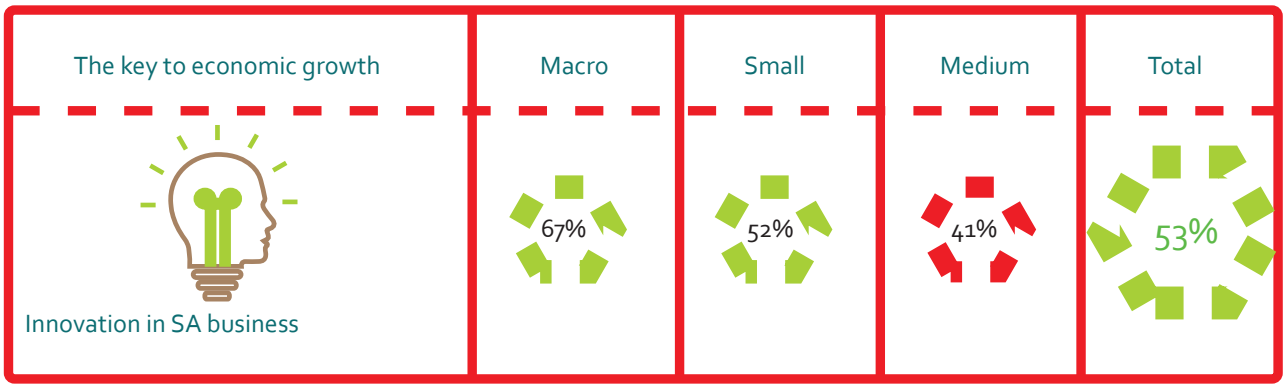

Figure 9: Innovation in South Africa as the key to unlocking economic growth

Walter Penfold and Cheryl Carolus share the same view. They believe that the businesses that survive are ones that are agile, nimble footed and innovative. Cheryl Carolus adds that agility and nimble footedness needs to be combined with the right skills and the right business model in order for the business to become a success. Penfold suggests that South African business needs to aim towards becoming globally competitive as being innovative will contribute towards economic growth. Robbie Brozin adds that business should find ways to improve their efficiency, but without compromising the product.

"Why have we got Google and Uber that we are now all using in South Africa? Why don't we have our own innovation here, why are we not building that kind of stuff?" – Walter Penfold

"We had to look at how we could cut certain costs, without compromising product quality, portion sizes, etc. We also had to look at how a business can become more efficient in the use of electricity, water and so on, which is good for the environment and at the same time is actually good for business as well."
– Robbie Brozin

Businesses need to drive a customer centric strategy that encourages one to revisit the organisational value chain and identify growth opportunities upstream and downstream. This naturally forces organisations to find creative and innovative solutions to better meet customer requirements. Evaluating the company's products and offerings through the eyes of the customer allows a company to better understand what is required to fully meet customer needs, and identify innovative solutions to solve customer problems.

Being customer driven means to understand what customers need, even if they sometimes don't know it themselves. Once these needs are clearly defined, it provides an organisation with the opportunity to find innovative ways to meet those needs. Henry Ford was reported to say: "If I had asked them what they wanted, they would have said faster horses". This illustrates the point that customers can only conceive known ways to solve the problem. This is the perfect opportunity for organisations to develop innovative solutions and differentiate their offering to drive greater market share.

3.4.4. Commercialise State Owned Enterprises

Strategic equity partners in state owned enterprises need to be engaged and an Initial Public Offering (IPO) should be carried out where this makes sense. The South African Post Office (SAPO), South African Airways (SAA) and Eskom in particular need to follow the example set by Telkom to achieve growth through local and international competitiveness.

Focusing on SAPO, cabinet announced the new board members on 13 August 2015. New chairman Simosezwe Lushaba was brought in to turn around the Post Office after it was placed under administration in November 2014, following a four-month strike that brought mail services to a halt. The Post Office suffered a net loss of R285m in the first three months of 2015, and loses about R100m each month. In the latest of its many obstacles, mail deliveries came to a standstill in the beginning of August 2015, when there was no money to buy fuel for the Post Office's delivery trucks. On the 8th September 2015, it was announced that CEO Christopher Hlekane agreed to part ways with SAPO, almost a year since the boss went on "special extended leave" amidst a prolonged strike.

Management instability continues unabated at SAA where the human resources general manager, Thuli Mpshe, has been appointed in August 2015 to run the airline on a temporary basis. A dispute continues to rage over the validity of the renewed contract of Chief Financial Officer Wolf Meyer. SAA continued to make losses in the first five months of the current 2015 financial year. Most recent government financial bailouts for SAA include an October 2012 grant of a R5bn guarantee, but SAA had to implement a turnaround strategy and just over two years later - January 2015 - another grant of R6.5bn. In 2015 Comair (BA partner) challenged the legality of the government bailouts for SAA, with Comair stating that SAA is technically insolvent and should not be receiving repetitive grants. The most recent controversy was in August 2015 when it was revealed that SAA awarded an R85m catering contract to a German company despite the airline having its own catering subsidiary, Air Chefs.

Eskom's annual results for the 2014 financial year revealed an even weaker position than they had anticipated previously. The utility announced that the completion of its three major capital projects that will bring new power on to the grid, have all been delayed a further two years. Generation plant performance, which measures the availability of power stations to produce electricity, dropped to 73.7% from 85.2% five years ago. Its target for 2014 was to achieve 80% plant availability. Electricity sales declined to 216.3GWh, from 225GWh in March 2012, as a result of breakdowns. This reduced net profit 49% to R3.6bn, while its cash on hand dropped to R8.9bn from R19.7bn in March 2013. Despite this, Eskom put a positive spin on its performance, saying it had managed to supply electricity on average 96% of the time, load shedding notwithstanding.

In stark contrast, Telkom, which government only owns 39% and listed on the Johannesburg Stock Exhange in 2003, revealed its latest financial results for the year ended 31 March 2015, showing an increase in mobile revenue and mobile subscribers. Telkom recorded a normalised profit after tax of R2.8 billion for the year, excluding severance package costs and the tax benefit of the settlement of the post-retirement medical aid liability for certain pensioners. This is a 135.7% increase compared to the previous year. Group EBITDA also improved 15.1% to R9 billion (2014: R7.8 billion). Telkom CEO Sipho Maseko: "We set out to achieve further stability in the business and largely attained it under challenging conditions. We are nearing the completion of the stability phase of our turnaround, which included a de-risking of the mobile business, strengthening of our balance sheet with the settlement of the post-retirement medical aid liability for certain pensioners, and addressing our fixed asset base." Some of the largest revenue growth came from its mobile business. Telkom's mobile net revenue increased 174.1% to R954 million, while mobile data revenue increased 50.6% to R988 million.

Cyril Ramaphosa was assigned by cabinet in December 2014 to develop turnaround strategies for parastatals, to enable them to play a meaningful role in contributing towards South Africa's growth and development. "These entities all operate in very challenging and complex industries," he said. "This is even more so now that the world economy is facing great difficulties. Those that operate in post office-related businesses are facing great challenges and difficulties," he said. "Those operating in the airline sector are facing headwinds both literally and figuratively." He said South Africa had over 700 state-owned entities at a national, provincial and local level. "Many of them are running efficiently and effectively," he said. "You may never hear of them because they are not facing the same challenges." Ramaphosa said that the challenges currently facing SAPO, Eskom and SAA will be forgotten in 18 months' time. "You will forget the challenges ever existed," he said.

Business is of the view that state owned enterprises that are not well managed should be commercialised in order to prevent them from negatively impacting economic growth.

"If I were president for a day, I would privatise all state owned organisations that are not well governed, for example Transnet. The state has no role in business" – (Martyn Davis)

"There is so much that I want to challenge. However, I think that the biggest issue today is Eskom, If I were president for the day I would privatise Eskom immediately and I would open up the national grid for people to do their own energy, that would be my immediate response" – (Walter Penfold)

3.4.5. Declare a State of Emergency in Education

Respondents were adamant that business needs to prioritise the country's future, recognising that education is a fundamental driver of economic development. To gauge what business perceive as solutions to unlocking South Africa's economic growth, businesses were also asked to mention the one thing they would do to stimulate growth if they were afforded the position of president of the country for a day. It is not surprising that the need to improve the state of education in South Africa was one of those at the top of the list. The challenge of education and skills mismatch has long existed in South Africa. As Kevin Rudd, previous Prime Minister of Australia once said, "Education is both a tool of social justice as well as a fundamental driver of economic development."

South Africa spends 20% of its budget on education, or 6.4% of gross domestic product (GDP) (considerably more than many other emerging market economies) and yet performs dismally in international comparisons:

- At the end of Grade 4 more than half of our students cannot read for meaning and interpretation and a third are completely illiterate in any language.
- 61% of South Africa's grade 9 students did not know that three fifths was equal to 0.6.
- 76% were not minimally competent in maths or science in grade 9 and do not know about whole numbers or basic graphs. They are 3-4 years behind the curriculum.
- Looking at the matric pass rate, in 2014 that figure was a respectable 76%. But if we look at 100 students that started school in 2003, only 49 actually made it to matric in 2014, only 37 passed and only 14 qualified to go to university. So the 'real' matric pass rate is 37% not 76%.
- And while 14% qualify to go to university, only 10% will actually go to university and only 5% will get a degree. So out of 100 kids that start school, only 5 will get a degree. 60 will get absolutely nothing – not a matric pass, not a certificate, not a degree.
- According to an education report by OECD released in 2015, SA ranked 75th out of 76 countries in terms of standard of education.

On the other hand there are companies who are trying to tackle this problem. Harambee is a great success story of how business can get involved in growing industry-relevant skills in South Africa. Harambee has been working to pair work seekers with jobs since 2011. It is "a business initiative that seeks to address youth unemployment through partnerships with many of South Africa's top brands", according to its website. The Harambee Youth Employment Accelerator was founded by Yellowwoods, the holding company of brands such as Hollard, Clientele, Telesure, Direct Axis, and Nando's. The project prepares first-time employees for work. It partners with the country's top brands and private corporations, and then finds sustainable jobs for young, unemployed people by matching them with the relevant employment.

It has already placed 790 adults into permanent employment since 2013. Candidates are interviewed and assessed. If successful, they either go through a bridging programme or are placed directly into a job that matches their qualification and skills. Harambee caters for South African citizens between the ages of 18 and 29 who have a matric certificate and who are unemployed. Harambee prepares young adults for the job world to improve their chances for a fruitful and successful career. Candidates who are interested in getting employment can go to the Harambee website to register. They will then be contacted should they meet the criteria. The high level objective of Harambee is to transition 10,000 unemployed young people into their first job opportunity and to significantly increase their likelihood of success and retention in sustained employment.

What is heartening is that a large number of the surveyed SMMEs provided the steps they have taken to overcome their barriers to growth. A large number of companies that have taken steps towards overcoming their barriers to growth indicated that they have prioritised up-skilling their employees and their families through education and training. This is the right path to follow as businesses' role in driving education in South Africa is key.

"What we've done is target specifically what is that we are placed best to do in terms of supporting SME's."
– Wendy Lucas-Bull

According to Wendy Lucas-Bull, Barclays has set up a number of SME hubs around the country working in collaboration with SARS and other IT partners to provide training for small businesses and assist them in terms of company, VAT registration and tax returns processes.

"We are putting a huge amount of time and effort in tackling youth unemployment, we are looking at programs we can put into drive for those who are previously disadvantaged. Our brand is an interesting brand, it came from Rosettenville, and we understand the fact that coming from the wrong side of the tracks as an individual working within the business we don't really mind people that are coming from very humble beginnings."
– Robbie Brozin.

4. Conclusion

South Africa faces many challenges in terms of its achievable growth, with its target of 5% to be reached by 2019 now reduced to only 3%, and trending downwards. President Zuma proposes a strategy that focuses on growing the economy through revitalisation of the agricultural sector and mineral beneficiation; the creation of black industrialists; increasing focus on small business potential; prioritising the ocean economy; and resolving problems in the energy sector.

Critics have, however, slated the proposed strategy as nothing new, with their major concern being that government allows too much power for an incompetent state. Also, the challenge of red tape and barriers to market entry encountered by small businesses refutes Government's endorsement of the prioritisation of small businesses as the catalyst to increasing the country's economic growth. The entry of new businesses into the market would encourage innovation, competitiveness and agility, potentially catapulting South Africa to global competitor status. So, execution, rather than 'another talk shop' is what respondents are unanimously calling for.

Business must, in turn drive reciprocity by being far more open to both working as a strategic partner with Government – and with other smaller and emerging businesses so as to actively transfer knowledge and skills.

Continued business growth over the last 12 months has happened despite meagre Government intervention, and an ailing economy. It's therefore that much more heartening that 42% of South African businesses still believe that they can and should generate growth.

5. Appendix

5.1. Background and methodology

A two-pronged approach was used to conduct this study. The study was informed by both primary and secondary research. A combination of quantitative and qualitative research methodologies were employed in the form of an online survey and in-depth interviews. Secondary research was conducted to supplement the primary research.

The objectives of the study were to:

- Establish whether business believes it has a greater role to play in driving economic growth
- Identify what business believes are the barriers to growth, as well as what business has done to stimulate growth
- Gauge views on a coalition between government, labour and business as drivers of economic growth

Quantitative approach

A survey was administered to a sample of 137 Small, Medium, Micro Enterprises (SMME) between May and July 2015. The sample consisted of micro businesses (26%), small businesses (50%) and medium businesses (23%). The surveyed businesses operate in sectors such as retail, marketing and communications, hospitality and insurance, with most being in the consulting services space.

Qualitative approach

A total of nine in-depth interviews were conducted with influential leaders to garner opinion on key issues.

Secondary research

After the project kick-off meeting, the research team had a brainstorming session where key questions and topics were identified that needed to be understood in order to conduct the research. IQ Business then conducted the secondary research to enable the understanding of the topics involved. At this point the research was brought back into a brainstorming session to provide a comprehensive understanding of topics that would be included in the report. Once all the information was researched and gathered, our researchers synthesised it into a digestible, easy to read document. This document was then integrated into one report that covered the primary research findings.

A summary of the approach is laid out below:

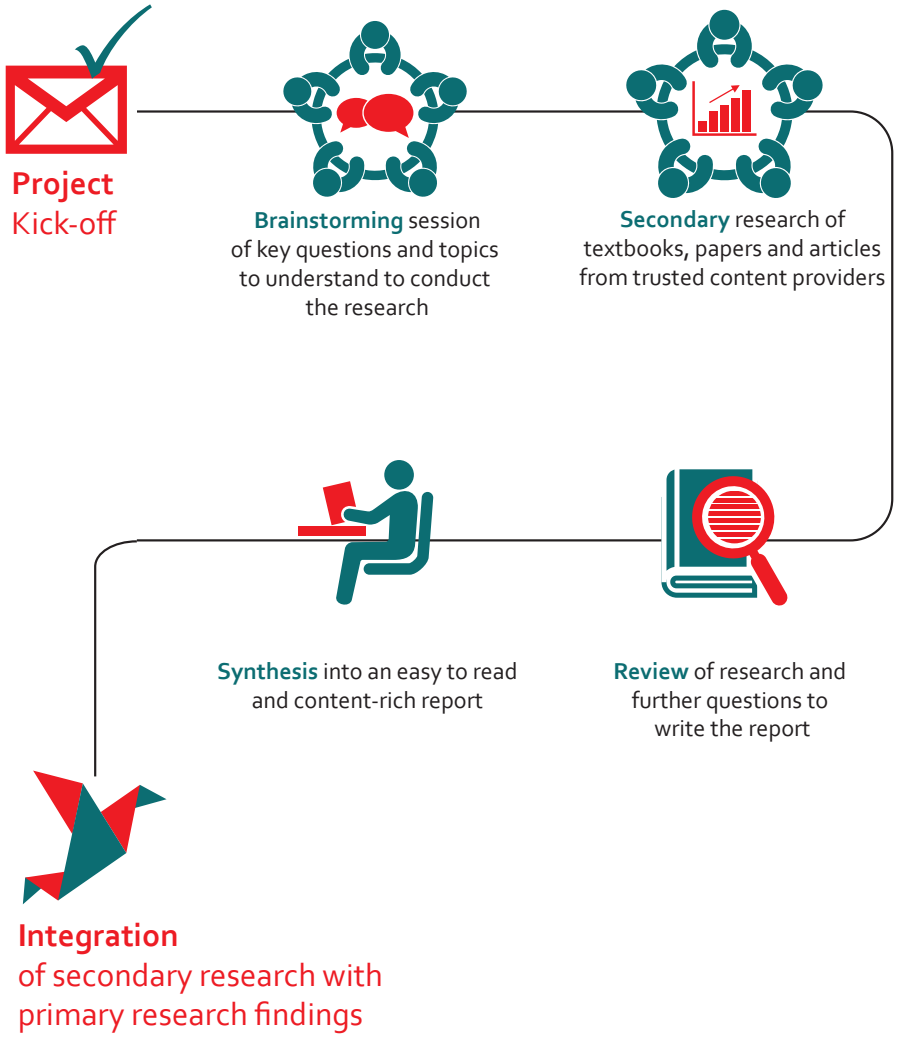

Figure 10: Secondary research methodology

In-depth interviews respondents' profiles

Clem Sunter

Chair of the Anglo American Chairman's Fund

BIOGRAPHY

Born: 8 August 1944 (71)
Born in United Kingdom.

Current position:
- Chair of the Anglo American Chairman's Fund, 1997 – present
- Non-Executive Director | Anglo American South Africa Johannesburg

Previous positions/employment:
- Chair | Anglo American Corporation, 1990 – 1996
- Assistant to Chair | ANGLO AMERICAN PLC 1986 – 1989
- Head | Anglo American Corporation Johannesburg | 1983 – 1985
- Secretary | Exco | Anglo American Corporation 1981 – 1983
- Assistant to Managing Director | Transvaal Gold Mines 1976 – 1980
- Assistant to Director | Anglo American Corporation Zambia | 1971 – 1973
- Management Trainee | Charter Consolidated Ltd 1966 – 1971

Education:
- University of Oxford PPE

Memberships
SA Business Coalition on HIV/AIDS 2002-Governor

Robbie Brozin

Founder and Chief Executive Officer of Nando's

BIOGRAPHY

Born: 17 December 1959 (56)
Born in Middelburg, Mpumalanga, in 1959. The family moved to Johannesburg and he attended high school at King David Linksfield, after which he obtained a BCom from Wits University and then worked for his father selling electronics.

Current position:
- Founder and Chief Executive Officer | Nando's Johannesburg | 1987 - present

Previous positions/employment:
- Manager Marketing | Teltron (Pty) Ltd 1982 – 1986, Marketing, Advertising and Public Relations.

Education:
- University of the Witwatersrand, Bachelor of Commerce

Achievements:
- Loeries Award for Marketing Leadership and Innovation Award | 2012

In-depth interviews respondents' profiles

Cheryl Carolus

Non-Executive Director of Gold Fields Limited

BIOGRAPHY

Born: 20 April 1959 (56)

Ms. Carolus is the Executive Chairperson of Peotona Group Holdings, a women owned and managed company, that puts back 2/3 of all their profit into communities where they operate and draw their workforce from. This money is used for education and enterprise development in those communities. She is a director on the boards of a number of listed and unlisted companies including De Beers and Investec. She is currently Chairperson of Gold Fields, an international mining company. She also served as Chairperson of the Board of South African Airways. Ms. Carolus has also previously held senior leadership positions in the liberation movement in South Africa. She worked closely with Nelson Mandela, and helped to negotiate the new South African constitution. She served as South Africa's High Commissioner to the United Kingdom from 1998 to 2001 and was the CEO of SA Tourism from 2001 to 2004. She was Chairperson of South African National Parks Board for six years. She also works with NGOs focused on young people at risk, conflict prevention and conservation & biodiversity, including Soul City, WWF and International Crisis Group. She was appointed as a trustee of the British Museum by Her Majesty, Queen Elizabeth. In 2014, she was awarded The French National Order of Merit by the Government of France.

Cheryl has a BA Law degree, Bachelor of Education and Honorary Doctorate in Law (for work in Human Rights) – UCT. She is passionate about her family, the arts, hiking, reading and cooking. She has climbed the Mount Kilimanjaro, learnt to tango in Argentina and did her first solo hanglide in Rio de Janero.

Tony Leon

Executive Chairman of Resolve Communications

BIOGRAPHY

Born: 15 December 1956 (58)
Born in Durban South Africa.

Current position:
- Advisor for Africa K2 Business Intelligence May 2014 – Present
- Executive Chairman Resolve Communications (Pty) Ltd June 2013 – Present
- Columnist - Opinions Page Business Day October 2012 – Present
- Attorney Supreme Court of South Africa 1985 – Present
- Author Tony Leon – Author 1999 – Present (16 years)
- Speaker Tony Leon - Professional Speaker October 2012 – Present

Previous positions/employment:
- Ambassador to Argentina, Uruguay and Paraguay. South African Embassy in Argentina September 2009 – September 2012
- IOP Fellow Harvard Kennedy School of Government September 2007 – December 2007
- Leader of the Official Opposition Parliament of South Africa 1999 – May 2007
- Leader | Democratic Alliance 2000 - 2007
- Visiting Fellow | Cato Institute Washington DC, United States of America | 2008 – 2008 Academia, Education and Training
- Vice President International Council | Jewish Parliamentarians South Africa | 2006 - 2009

Education:
- University of the Witwatersrand LLB, Law 1983

Awards:
- Recht Malan Prize - best nonfiction book, 2009 | 2009
- Prestigious prize for On The Contrary - Leon's bestselling autobiography published in 2008, Jonathan Ball Publishers.
- One of 'Four Outstanding Young South Africans' finalist
- Rare Achievers Finalist | J&B
- Star of the Community | Star Newspaper

In-depth interviews respondents' profiles

Walter Penfold

Managing Director of Everlytic

BIOGRAPHY

Current position:

- Managing Director Everlytic
- Non-Executive Director Grenade Technologies March 2012 – Present
- Non-Executive Director Wetec 2010 – Present

Previous positions/employment:

- Co-Founder & CEO Wetec January 2003 – 2010
- Senior Portfolio Manager Endeavor South Africa July 2008 – August 2009
- Management Consultant E-Cubed Consulting 2001 – 2003
- Systems Analyst / Consultant Standard Bank Group April 1998 – June 2001
- Developer SPL WorldGroup March 1996 – February 1998
- Systems Analyst Liberty Group December 1991 – February 1996

Education:

- University of the Witwatersrand. MBA, Entrepreneurship/Entrepreneurial Studies,
- with Distinction 2001 – 2003
- University of South Africa/Universiteit van Suid-Afrika Bachelor's degree, Information Technology, with Distinction 1999

Martyn Davies

CEO of Frontier Advisory

BIOGRAPHY

Born: 19 January 1972 (43)
Born in the United Kingdom.

Current position:

- CEO of Frontier Advisory
- Dr Martyn Davies has advised a large number of multinational companies on their strategies in Africa and other emerging markets.
- Over his career, he has consulted for 1/3 of the top 100-listed firms on the JSE.
- He is a Senior Fellow at the MasterCard Center for Inclusive Growth and is also a member of MasterCard's Africa Knowledge Panel providing macro-economic advice to the Board of MasterCard and has been ranked the # 1 analyst in South Africa in the "Other African Economies & Markets" category as awarded by the Financial Mail in its prestigious Annual Analysts of the Year awards.
- He has been an Advisor to the WEF's "Emerging Best Practices of Chinese Globalizers" initiative as well as serving as an industry expert to the WEF's Mining & Metals Industry Group. He is a recipient of a Dangote Fellowship awarded by the WEF for Africans for their outstanding leadership, professional accomplishments and commitment to society.
- Martyn has lectured by invitation at Harvard University, MIT, London School of Economics, Oxford University, IE Business School, Peking University, the African Development Bank, the OECD, the European Commission and the World Bank. He is widely published in academia and has written for the Financial Times and the Washington Post amongst many others.

Education:

- University of the Witwatersrand - BA Law, Honours Degree in International Relations (cum laude), Master's in International Relations (cum laude).
- Yonsei University, Seoul, Korea - Diploma in Asian Studies
- Harvard Business School - Making Markets Work course certificate, graduate of the Harvard Kennedy School's Global Leadership Programme

Awards:

- Young Global Leader, World Economic Forum
- Recipient of a Dangote Fellowship awarded by the WEF for young Africans selected each year for their outstanding leadership, professional accomplishments and commitment to society
- In 2010, Destiny Man magazine named Martyn in its "Power 40" of leading South African businessmen under the age of 40

Memberships:

- Member, BRICS Economic & Financial Forum, Advisory Group, PRC
- Member, Korea-Africa Forum, National Assembly, Republic of Korea

In-depth interviews respondents' profiles

Shaun Liebenberg

CEO of IQ Capital

BIOGRAPHY

Born: 19 January 1972 (43)
Born in the United Kingdom.

Current position:
- CEO IQ Capital (Pty) Ltd February 2012

Previous employment:
- Executive Director Rheinmetall AG June 2008 – May 2011
- CEO Denel May 2005 – June 2008
- CEO Grintek Ltd January 2004 – June 2005
- Executive Director Dimension Data September 2001 – December 2003
- MD Plessey (Pty) Ltd January 2000 – August 2001

Education:
- University of Johannesburg (RAU), B.Com degree and Law degree

Wendy Lucas-Bull

Chairman of the Barclays Africa Group, Absa Bank and Absa Financial Services

BIOGRAPHY

Current position:

- Independent Non-Executive Director, Anglo American Platinum Ltd, 2009 – present
- Independent Non-Executive Director, Development Bank of Southern Africa, 2005 – present
- Founding Chairman, Business Against Crime, 1996 – present
- Non-Executive Director, The IQ Business Group
- Independent Non-Executive Director, Barclays Africa Group, 2013 – present
- Founder of Peotona Group Holdings Proprietary Limited.

Previous employment:

- Non-executive Director, Nedbank Group Limited, 2009 – 2012
- Independent Non-Executive Director, Alexander Forbes, 2006 - 2007
- Deputy Chairman, Aveng Ltd, 2005 - 2006
- Executive Director, RMB Holdings Limited, 1995 - 2000
- Chair, Institute of Management Consultants, 1990 - 1992
- International Partner, Andersen Consulting, 1978 - 1994
- Independent Non-Executive Director, Dimension Data Holdings Plc, 2005
- Director, Telkom SA SOC Ltd
- Director, Eskom
- Director, Discovery Health Limited
- Chief Executive Officer, FirstRand Retail

Education:

- University of the Witwatersrand, Bachelor of Science, 1976

Awards:

- Paul Harris Award, in Recognition of Her Achievements during her tenure as Chair of Business Against Crime | Rotary International
- SA Business Women of the Year, Top Women in Business award
- Sapphire awards for service and for individual contribution to the economy of Gauteng

6. Acronyms

BCEA	Basic Conditions of Employment
DTI	Department of Trade and Industry
GDP	Gross domestic product
FDI	foreign direct investment
IPO	Initial Public Offering
LRA	Labour Relations Act
NCR	National Credit Regulator
NDP	National Development Plan
NEDLAC	National Economic Development & Labour Council
SAPO	South African Post Office
SAA	African Airways
SMEs	Small and Medium sized enterprises
SMEs	Subject Matter Experts
SMMEs	Small, Medium, and Micro Enterprises
SMD	Small Business Development

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